## House File 254 - Introduced

HOUSE FILE 254
BY SHIPLEY

## A BILL FOR

- 1 An Act authorizing a property tax exemption for certain
- 2 property used for shared services and business assistance
- 3 and including applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. Section 427.1, Code 2019, is amended by adding 2 the following new subsection:
- 3 NEW SUBSECTION. 42. Business incubator property.
- 4 a. The property owned or leased and operated by a local or
- 5 regional economic development organization and used solely as a
- 6 business incubator.
- 7 b. For purposes of this subsection:
- 8 (1) "Business incubator" means a facility in which space is
- 9 leased to small businesses and that provides shared services
- 10 and business assistance to such businesses to improve their
- 11 chances of success. The services provided may include but are
- 12 not limited to receptionist, copying, computer, telephone,
- 13 secretarial, and meeting services. The assistance provided
- 14 may include but is not limited to advice concerning marketing
- 15 plans, business plans, accounting, and administration.
- 16 (2) "Local or regional economic development organization"
- 17 means a private, nonprofit organization, as recognized by the
- 18 internal revenue service, whose primary purposes are to develop
- 19 the economy of its area and to provide assistance to businesses
- 20 in that area.
- 21 (3) "Small business" means the same as defined in section
- 22 422.35, subsection 6, paragraph "c".
- 23 c. Claims for the exemption under this subsection must be
- 24 filed with the assessor not later than February 1 of the year
- 25 for which the exemption is requested on forms to be prescribed
- 26 by the director of revenue. Upon the filing and allowance
- 27 of the claim, the claim shall be allowed on the property for
- 28 successive years without further filing as long as the property
- 29 continues to qualify for the exemption. When the property is
- 30 sold or transferred, the county recorder shall provide notice
- 31 of the transfer to the assessor. The notice shall describe the
- 32 property transferred and the name of the person to whom title
- 33 to the property is transferred.
- 34 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.7 shall not
- 35 apply to the property tax exemption enacted in this Act.

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- 1 Sec. 3. APPLICABILITY. This Act applies to assessment years
- 2 beginning on or after January 1, 2020.
- 3 EXPLANATION
- 4 The inclusion of this explanation does not constitute agreement with
- the explanation's substance by the members of the general assembly.
- 6 This bill establishes a property tax exemption for property
- 7 owned or leased and operated by a local or regional economic
- 8 development organization, as defined in the bill, and used
- 9 solely as a business incubator. The bill defines "business
- 10 incubator" to mean a facility in which space is leased to small
- 11 businesses, as defined to mean the same as Code section 422.35,
- 12 and that provides shared services and business assistance
- 13 to such businesses to improve their chances of success.
- 14 The services provided may include but are not limited to
- 15 receptionist, copying, computer, telephone, secretarial, and
- 16 meeting services. The assistance provided may include but is
- 17 not limited to advice concerning marketing plans, business
- 18 plans, accounting, and administration.
- 19 The bill makes inapplicable Code section 25B.7. Code
- 20 section 25B.7 provides that for a property tax credit or
- 21 exemption enacted on or after January 1, 1997, if a state
- 22 appropriation made to fund the credit or exemption is not
- 23 sufficient to fully fund the credit or exemption, the political
- 24 subdivision shall be required to extend to the taxpayer only
- 25 that portion of the credit or exemption estimated by the
- 26 department of revenue to be funded by the state appropriation.
- 27 The bill applies to assessment years beginning on or after
- 28 January 1, 2020.